



PROGRAM NEWS

United States Agency for International Development

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**USAID/Nicaragua
Development Program
1998-2003
(U.S. Millions of Dollars)**

<i>Rule of Law and Good Governance</i>	43.6
<i>Small Producers</i>	47.0
<i>Natural Resources</i>	14.0
<i>Healthy Families</i>	35.0
<i>Primary Education</i>	17.5
TOTAL	US\$ 157.1
<i>Food Aid</i>	13.1



Loans and Market Links Provide New Opportunities for Small Producers

Nueva Guinea, Nicaragua—This area of Nicaragua, located in the South Atlantic region, is blessed with enough rainfall nine months out of the year to give farmers an advantage over producers in the rest of the country. However, without financing for planting, many small producers had trouble just growing enough to provide food for their families. Now, thanks to a USAID project, 395 small farmers are receiving the financing they need to increase yields and profits.

The agricultural project in Nueva Guinea is part of USAID's \$157 million five-year development program for Nicaragua running from 1998 to 2003. Through a USAID private contractor, WINROCK, the Association for the Economic Development of Small Farmers (ADEC) received a two year grant of \$374,000 to provide training and credit to small producers



Ramiro Poveda is one of the 395 small producers who received a loan through a USAID-financed project in Nueva Guinea.

in Nueva Guinea for the production of high-value and root crops. ADEC provides farmers with technical assistance for improving production through environmentally sustainable agriculturally methods. The project also provides small loans to landless families to set up pig pens for breeding as an economic alternative.

The most economically promising component of the USAID-funded ADEC project is the securing of a market link, through a Nicaraguan exporter, Fruvex, to export arrowroot to Puerto Rico. Currently, Nueva Guinea farmers are exporting approximately 900 50-lb boxes of arrowroot every week to 10 days. The farmers are paid, up front, \$37 for every hundredweight of arrowroot, 40% more than the local market price of



Leticia Rodriguez and other members of a women's farming cooperative in Nueva Guinea received financing through the USAID/ADEC project.

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Loans and Market Links Provide New Opportunities ...

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\$22 per hundredweight. By exporting arrowroot farmers can make up to \$2,275 profit per acre.

Ramiro Poveda received a small loan of approximately \$200 from the USAID project that allowed him to finance this season's planting. With assistance in the field from the project's agricultural technician, Poveda planted three and a half acres of a variety of arrowroot that he will be able to export when he harvests in November. With his loan from the project already covered by his corn crop sales, Poveda said he hopes to make a nice profit from his arrowroot crop that he will use for his family's needs and for reinvesting in his farm.

"It is difficult for small farmers like myself to get a loan," said Poveda. "I am very grateful to the program for giving me this opportunity and optimistic about exporting my arrowroot crop."

Farmer Miguel Angel Rodriguez is another farmer who insists that the small loan from the USAID project enabled him to plant more of his land than in the past, which will mean a higher income for his family of six. Rodriguez will also be exporting arrowroot for the first time.

"No one helped me before this project," said Rodriguez. "With the loan I could afford to prepare the soil, and buy seeds and fertilizers."

Many women producers have also benefited from the USAID project. Members of the Rio Plata women's cooperative in Nueva Guinea, affiliated to the Nicaraguan Federation of



Farmers participating in the USAID-financed project receive technical assistance from the Association for the Economic Development of Small Farmers (ADEC).

Women Producers, received financing from the USAID/ADEC project for nine of its members.

With her share of the small loan from the USAID/ADEC project, Leticia Rodriguez, leader of the cooperative, planted three and a half acres of cassava, one acre of corn and three and a half acres of beans.

"With great sacrifice, I could barely plant one acre before. Even though I had all the desire in the world to work hard, I did not have the means to farm more land until this project," explained Leticia.

Olga Rodriguez, Leticia's 19-year-old niece, is the youngest member of the cooperative. She farms an acre of cassava, financed by the project. At first, she said, her husband opposed her working in the fields but now he realizes the benefit of the extra income.

"The project can't resolve all our problems but at least we can increase our income and feed and clothe our children," said Leticia Rodriguez. And she added, "We don't have to be dependent on a man. I don't have to ask my husband for money the next time I need to buy something for myself."



The project is helping farmers export arrowroot. Nicaraguan farmers can earn more than 40% over the local market price for each hundredweight of arrowroot they export.

USAID/ADEC Project Profile

Period of Grant:
June 2000 to
June 2001

Amount of Award:
\$374,000

Project Focus:
Provide training and
credit to support agri-
cultural production
of high-value crops
and root crops

Number of
Beneficiaries:
395 producers

Location:
South Atlantic
Autonomous Region:
Nueva Guinea



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